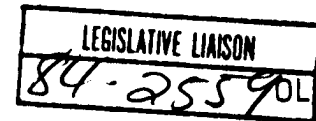


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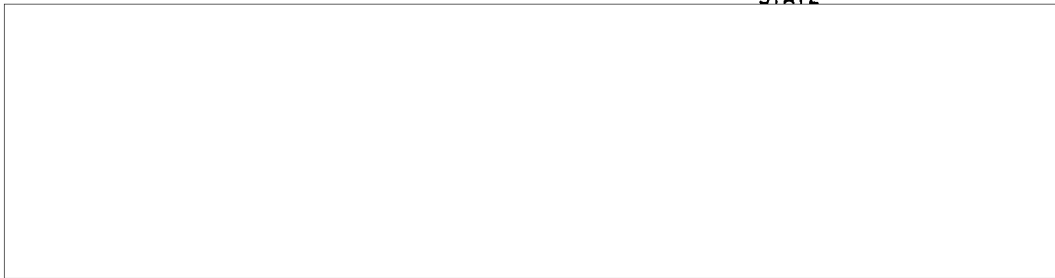
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EXDIS

E.O. 12356: DECL: OADR
 TAGS: OREP (SOLARZ, STEPHEN), SN
 SUBJECT: CONGRESSMAN SOLARZ MEETING WITH PRIME MINISTER
 LEE, JULY 13
 REF: SINGAPORE 7165

1. (S - ENTIRE TEXT)

2. FOLLOWING IS REPORT OF SOLARZ-LEE KUAN YEW MEETING
 IN SINGAPORE JULY 13, 1984. OTHERS PRESENT: STAFF
 DIRECTOR WILLIAM BARND, CHARGE WILLIAM SPRUCE AND
 GOS MFA NORTH AMERICAN DESK OFFICER KAUSIKAN.

-
PHILIPPINES

 -
 LEE SAID THINGS COULD HAVE COLLAPSED "LIKE A HOUSE
 OF STRAWS", BUT MARCOS SURVIVED THE ELECTIONS. IT IS
 A PITY HE HASN'T CHANGED THE CABINET MORE. PERHAPS
 HE STICKS WITH OLD FRIENDS. HE HAD A CHANCE AFTER
 THE ELECTIONS TO MAKE A CONSTRUCTIVE CABINET SHUFFLE,
 BUT HE LET IT PASS.

SOLARZ SAID HE DID NOT SEE MARCOS SO MUCH AS STICKING
 TO FRIENDS AS A MAN RIDING A TIGER.

-
 LEE SAID MARCOS HAS NO INTENTION OF RELINQUISHING
 POWER. HE OBSERVED HIM IN BRUNEI DURING THE
 INDEPENDENCE CELEBRATIONS AND WAS STRICKEN BY THE
 TRANSFORMATION OF THE MAN. MARCOS WAS GROPING FOR
 WORDS, FACTS AND FIGURES. THE DIALYSIS MAY HAVE
 AFFECTED HIS PERFORMANCE.

-
 SOLARZ SAID HE GATHERED THERE WAS A FEELING IN
 SOUTHEAST ASIA THAT LONG-TERM DETERIORATION IS SETTING
 IN AND THAT THE NPA IS GROWING. AS POLITICS BECOME
 POLARIZED, THE NPA MAY PICK UP MORE SUPPORT. BECAUSE
 OF U.S. INTERESTS INVOLVED, THIS IS PARTICULARLY WHY
 SOLARZ WANTED TO SEEK LEE'S VIEWS.
 LEE SAID THE NPA IS NOT AS MUCH OF A THREAT AS MARCOS
 MAKES IT. POLITICALLY, IT IS CONVENIENT TO HIM. YES,
 THE NPA WILL GROW WITH TIME, BUT NOT AS A COORDINATED

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NATIONAL MOVEMENT. THEY ARE PART ROBIN HOOD, PART BANDIT. PERHAPS IN TEN YEARS PLUS THEY MIGHT BECOME COORDINATED, ALTHOUGH THIS IS NOT LIKELY IN AN ARCHIPELAGO. THE QUESTION IS HOW LONG WILL MARCOS LIVE AND WHO WILL TAKE OVER AFTERWARDS, LEE DOES NOT SEE THE NPA TAKING OVER. THERE WILL EITHER BE AN ORDERLY SUCCESSION OR A SCRAMBLE FOR POWER WITH THE MILITARY INVOLVED. THE LATTER WOULD BE BAD. MEANWHILE, THE ECONOMIC SITUATION WILL GET WORSE. SINGAPORE BANKS HAVE LENT ABOUT US\$3.5 BILLION BUT CANNOT SEE AN IMF AGREEMENT COMING. MARCOS IS TRYING TO DODGE THE IMF'S CONDITIONS. SO JOBLESSNESS AND RESTLESSNESS WILL INCREASE. THE TRAGEDY IS THAT THE OPPOSITION IS SO FRACTURED AND INEFFECTIVE.

SOLARZ ASKED WHAT THE UNITED STATES SHOULD DO.

LEE SAID THERE IS NO CHOICE BUT TO STICK WITH MARCOS AND TO WORK ON RELATIONS WITH SUCCESSORS. AN OPPOSITION TAKEOVER IS A LONG SHOT ONLY. SOLARZ ASKED WHAT WOULD HAPPEN IF THE UNITED STATES OFFERED AID IN RETURN FOR A MORE OPEN, DEMOCRATIC SYSTEM.

LEE SAID MARCOS IS SO DESPERATE HE WILL HAVE TO ACCEPT. BUT THE AMOUNTS WOULD HAVE TO BE SUBSTANTIAL. HE OWES PERHAPS US\$25 BILLION. LEE SAID HE HAS NEVER SEEN A MAN LIVE SO EXISTENTIALLY, OR DAY-TO-DAY. HE TOOK ALL OF THE TROUBLE TO GO TO BRUNEI JUST TO SHOW THAT THINGS WERE IN ORDER, BUT TO THE ASEAN LEADERS, IT ONLY HURT MARCOS. THERE WERE TWO THINLY DISGUISED AMBULANCES FOLLOWING HIM AND THREE AIDS WITH MEDICAL-LOOKING BAGS ATTENDING HIM AT THE DINNER.

SOLARZ ASKED IF IMELDA MIGHT TAKE OVER IF MARCOS DIES.

LEE SAID THE CHANCES ARE MUCH LESS NOW. SHE HAS BEEN CUT DOWN A BIT, BUT NOT YET TO SIZE. IT MUST BE CLEAR TO THOSE AROUND HER THAT HE IS NOT GIVING HER BACKING.

SOLARZ ASKED WHAT WOULD HAPPEN IF THE AGRAVA COMMISSION CONCLUDES THAT AQUINO WAS KILLED BY SECURITY GUARDS.

LEE SAID THERE WOULD BE GREAT AMAZEEMENT THAT THE COMMISSION HAD THE COURAGE TO MAKE THAT FINDING, AND EVEN MORE AMAZEEMENT IF IT PUNISHED THE OFFENDERS.

EXDIS

E.O. 12356: DECL: OADR
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CAMBODIA

SOLARZ ASKED IF THERE WAS ANY SOFTENING OF THE VIETNAMESE POSITION ON CAMBODIA.

LEE SAID THERE WAS NO PUBLIC SOFTENING. PRIVATELY, IN DISCUSSIONS WITH THE THAIS AND INDONESIANS, THE VIETNAMESE SHOW THAT THEY REALIZE THEY ARE IN DEEP TROUBLE. PUBLICLY THERE IS NO CHANGE, AND EACH PLOY IS JUST ANOTHER MANEUVER.

SOLARZ SAID HE HAD JUST DINED WITH JOSUF WANANDI IN INDONESIA. HE SAID THAT CO THACH SAID THEY WOULD

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WITHDRAW FROM CAMBODIA IF TWO CONDITIONS WERE MET.
FIRST, THERE MUST BE NO POL POT PARTICIPATION IN THE
GOVERNMENT. SECOND, THE GOVERNMENT MUST RECOGNIZE
VIETNAM'S DOMINANT ROLE IN THE REGION.

-
SOLARZ ASKED WHETHER THIS WAS WORTH EXPLORING.

-
LEE SAID NO, NO. FIRST, WANANDI INDULGES IN WISHFUL
THINKING. NONE OF THE SIGNALS FROM VIETNAM INDICATE
GENUINE FLEXIBILITY. SECONDLY, VIETNAM WANTS TO SET
UP A MEETING WITH ASEAN TO DISCUSS REGIONAL ISSUES
IN ORDER TO BLUR THE CAMBODIAN QUESTION AND TO BE ABLE
TO SAY THAT CAMBODIA IS NOT THE ONLY REGIONAL ISSUE.

-
SOLARZ SAID HE WAS NOT ADVOCATING THIS, BUT DID SEE A
REAL CONCERN ON VIETNAM'S PART -- THAT THERE BE NO
POL POT RETURN.

-
LEE SAID THE SUREST WAY IS TO HAVE A FREE AND SECRET
VOTE. HE CANNOT SEE THE CAMBODIANS VOTING FOR THE
KHMER ROUGE IN ANY FAIR ELECTION.

-
SOLARZ SAID HE SUPPOSED THE KHMER ROUGE WOULD PULL
EVEN LESS THAN LEE'S OPPOSITION DOES, BUT ASKED WHO
IS TO STOP THE KHMER ROUGE FROM JUST MARCHING IN AND
TAKING OVER.

-
LEE SAID SOEHARTO HAD OFFERED A PEACEKEEPING FORCE TO
PREVENT THAT, AND VIETNAM HAD TOSSED THE IDEA OUT.
THAT SHOWS CO THACH'S INTENTIONS.

-
LEE WONDERED WHY A SETTLEMENT COULD NOT BE ACHIEVED
IN THE CONTEXT OF THE U.N. RESOLUTION.

-
SOLARZ ASKED WHAT LEE ENVISAGED IN SUCH A SETTLEMENT
AND WHETHER POL POT WOULD THROW IN THE TOWEL.

-
LEE SAID POL POT WOULD NOT, AND ASEAN IS EVEN WILLING
TO ASSURE A VIETNAMESE CONTRIBUTION TO PREVENT
POL POT'S RETURN.

-
SOLARZ ASKED WHO ELSE MIGHT PARTICIPATE. FOR EXAMPLE,
WOULD ASEAN PARTICIPATE.

-
LEE SAID THAT POINT HAS NOT YET BEEN REACHED, BUT
IT WAS POSSIBLE THE INDONESIANS MIGHT.

-
SOLARZ SAID HE HAD HEARD IT SUGGESTED THAT IF THE THAIS
CUT OFF SUPPLIES TO POL POT, HE MIGHT BE BROUGHT
UNDER CONTROL.

-
LEE SAID NO. THE KHMER ROUGE HAVE TWENTY BASES IN
CAMBODIA. SUPPLIES ARE BURIED AND REPLENISHED
REGULARLY. THEY OPERATE IN THE NORTHEAST OF CAMBODIA
WHERE SUPPLIES CLEARLY DO NOT COME FROM THE THAI
BORDER. ALSO, THEY ARE TRYING TO OPEN A SEA SUPPLY
ROUTE.

-
SOLARZ ASKED WHETHER THE NONCOMMUNIST FORCES WERE NOW
STRONGER.

LEE SAID, YES, THEY ARE. THEY PUT UP A FIGHT DURING
THE RECENT DRY SEASON -- BEYOND SINGAPORE'S
EXPECTATIONS, AND LEE THINKS THEY WILL GROW.

-
SOLARZ ASKED HOW IMPORTANT IT IS FOR THE UNITED STATES
TO PROVIDE MILITARY ASSISTANCE, AS WELL AS HUMANITARIAN
AID.

LEE SAID, "WE ARE TALKING ABOUT A SUBJECT THAT RAISES
ALL OF THE PHOBIAS OF THE AMERICAN MEDIA." IT WILL

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EXDIS

E.O. 12356: DECL: OADR
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SUBJECT: CONGRESSMAN SOLARZ MEETING WITH PRIME MINISTER

TAKE TIME TO OVERCOME THE TRAUMA OF AMERICA'S
PARTICIPATION IN VIETNAM. LET'S CONCENTRATE ON
HUMANITARIAN AID.

SOLARZ SAID HIS SUBCOMMITTEE WAS ABOUT TO HOLD HEARINGS
ON VIETNAM TEN YEARS AFTER THE EVENT, AND ASKED WHAT
THE COMMITTEE SHOULD SAY.

LEE SAID A KEY LESSON WAS: DO NOT GO IN UNLESS YOU ARE
PREPARED TO SEE IT THROUGH. THE WORLD WOULD BE
DIFFERENT, AND THE U.S. WOULD BE A DIFFERENT COUNTRY
IF IT HAD GONE IN DIFFERENTLY. THE U.S. SHOULD HAVE
KEPT ON THE WAY IT WAS BEFORE THE MAJOR ESCALATION OF
1965 -- GIVEN THE KIND OF COUNTRY THE U.S. IS. "BEING
THE WAY YOU ARE", YOU SHOULD NOT HAVE GONE IN. YOU
CAN NOT GO IN AND STAKE YOUR PRESTIGE AND LEAVE WITHOUT
GRIEVOUS DAMAGE AROUND THE WORLD. YOU HAVE LOST YOUR
ELAN AND SELF-CONFIDENCE. YOU HAVE CAUSED THE
VIETNAMESE TO THINK THEY ARE "SUPERMEN" AND THEREFORE
HAVE GIVEN THEM THE REVERSE DISEASE. THEY ARE NOW
STUCK IN CAMBODIA.

SOLARZ SAID MOST OF THE PEOPLE CONDUCTING THE WAR FROM
THE U.S. SIDE BELIEVED THE DOMINO THEORY. IN SOME
WAYS OTHER COUNTRIES IN THE REGION ARE STRONGER TODAY
THEN THEY WERE THEN.

LEE SAID THIS WAS NOT A SIMPLE QUESTION. HE NEVER
SAID HE BELIEVED THE DOMINO THEORY. BEFORE THE MASSIVE
U.S. INTERVENTION IN 1965, THE U.S. COULD HAVE RELIED
ON TRAINERS AND ADVISORS. IF THE U.S. HAD NOT DRAWN
THE LINE AT THE CAMBODIAN BORDER, EVERYTHING IN SOUTHEAST
ASIA WOULD HAVE GONE. IT DID NOT GO BECAUSE VIETNAM
WAS STUPID AND QUARRELED WITH CHINA. SIHANOUK SAID
THAT NIXON'S 1972 CHINA TRIP CHANGED EVERYTHING. HE
HAS NEVER SEEN CHOU EN LAI MORE CHASTENED. VIETNAM
THEN DECIDED TO GO INTO CAMBODIA, AND NOW THEY ARE
STUCK. VIETNAM AND CHINA COULD HAVE WORKED TOGETHER
TO TAKE OVER ALL OF SOUTHEAST ASIA. THE DOMINOES DID
NOT FALL BECAUSE THE COMMUNISTS QUARRELED.

SOLARZ ASKED WHAT THE U.S. COULD HAVE DONE IN ITS
CONDUCT OF THE WAR.
THE PM SAID THE U.S. SHOULD NOT HAVE IMPOSED LIMITS ON
ITSELF IN DEALING WITH VIETNAM. IT COULD HAVE
OBLITERATED NORTH VIETNAM.

SOLARZ SAID A FEAR OF CHINA AND THE FEAR OF ANOTHER
CLASH WITH CHINA AS IN KOREAN MUST HAVE BEEN A FACTOR.

LEE SAID THE U.S. COULD HAVE BOMBED THE DIKES AND
PULVERIZED THE NORTH. THE CONDUCT OF THE WAR BY
JOHNSON -- TRYING TO USE GUNS AND BUTTER -- WAS WRONG.
HE SHOULD HAVE POSTPONED THE "GREAT SOCIETY" AND
CONCENTRATED ON VIETNAM. THE U.S. WOULD NOT HAVE
INFLATION TODAY AND WOULD HAVE PULVERIZED THE NORTH,
AND AMERICANS WOULD HAVE BEEN DIFFERENT. THE AMERICANS
LEE USED TO SEE IN THE SIXTIES WERE SELF-CONFIDENT.
NOW, THEY ARE AT THE OTHER EXTREME.

SOLARZ ASKED IF THERE WERE ANY INDICATIONS AMERICANS
WERE EMERGING FROM THE VIETNAM TRAUMA.
LEE SAID, SLOWLY. REAGAN IS AHEAD OF THE AMERICAN
PEOPLE. HE SUFFERS FROM NO GUILT QUALMS.

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CHINA AS A THREAT

SOLARZ ASKED ABOUT REGIONAL PERCEPTIONS OF THE SOVIETS
VERSUS CHINA AS A THREAT.

LEE SAID MALAYSIA AND INDONESIA HAVE EXTERNALIZED
THEIR DIFFICULTIES. THEIR TRAUMAS WERE INTERNAL. THE
INDONESIANS BELIEVED THE CHINESE PLANNED THE COUP
ATTEMPT IN THE SIXTIES, AND INDEED CHINESE WEAPONS WERE
FOUND. IN MALAYSIA, IT IS MORE COMPLEX. THEY WERE
FIGHTING CHINESE MAOISTS. SOME ARE STILL IN SOUTHERN
THAILAND, AND A FEW HUNDRED ARE SCATTERED IN JUNGLES IN
THE SOUTH BUT ARE LARGELY INEFFECTIVE TODAY. THE
CHINESE THREAT TO THE REGION IS NOT SERIOUS. CHINA
HAS NO NAVY, NO AIR FORCE, AND CAN ONLY PRESS VIETNAM AND
BURMA, AND THERE IS A DANGER TO THAILAND BECAUSE OF
THEIR HEAVY RELIANCE ON CHINA.

LEE DID NOT SEE HOW THEY COULD PRESSURE MALAYSIA OR
INDONESIA.

EXDIS

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SOLARZ ASKED WHAT PROBLEMS LEE SAW IN SALES OF U.S.
MILITARY TECHNOLOGY TO CHINA.

LEE SAID PRESIDENT REAGAN AND SECRETARY SHULTZ ARE
VERY CAUTIOUS PEOPLE, SO IF THEY ARE WILLING TO SELL
THE WEAPONS THEY ARE SELLING, THEN LEE IS RELAXED.

JAPAN

SOLARZ ASKED WHAT PROSPECTS THERE WERE FOR AN INCREASE
IN JAPAN'S MILITARY BUDGET.

LEE SAID INCREASES WOULD BE MODERATE ONLY, AND IF
NAKASONE WERE NOT PRIME MINISTER, THEY WOULD BE EVEN
SLOWER. THE JAPANESE ARE HAPPY TO LEAVE IT TO THE U.S.

NEW ZEALAND

SOLARZ SAID HIS IMPRESSION IS THAT THE LEADER OF THE
LABOR PARTY WOULD LIKE TO SCUTTLE THE NUCLEAR SHIP
VISITS ISSUE, BUT IF HE CANNOT, SHOULD THE U.S. DO
BUSINESS AS USUAL OR SHOULD WE SAY WE CANNOT FULFILL
OUR ANZUS OBLIGATIONS?

LEE SAID HE WOULD NEED A CLOSER LOOK AT THE MOOD OF THE
NEW ZEALAND PEOPLE TO ANSWER THOROUGHLY. IF THE PEOPLE
THINK THE LABOR PARTY IS "DOTTY", THEN IT WOULD BE
HELPFUL FOR THE U.S. TO TAKE A TOUGH STAND. BUT IF
PEOPLE ARE NERVOUS, OR THE LEFT WING IS GENUINELY
STRONG, THEN THE U.S. MIGHT UNDERMINE THE GOVERNMENT.

SOLARZ OBSERVED THAT SOME AUSTRALIANS HELD SIMILAR
VIEWS TO THE NEW ZEALAND LABOR PARTY.

LEE SAID THE PEOPLE KNOW THEY ARE EITHER FOR YOU OR
AGAINST YOU. IN OFFICE, THEY WILL SQUARE UP.

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HONG KONG

SOLARZ ASKED THE PM'S VIEWS ON HONG KONG'S FUTURE.

LEE SAID THAT HE WAS FEARFUL. THE COMMUNIST TOUCH IS HEAVY AND WILL STIFLE. THE COMMUNISTS LACK SENSITIVITY AND UNDERSTANDING OF INVESTOR CONFIDENCE AND MARKET FORCES -- OTHERWISE, CHINA ITSELF WOULD BE A DIFFERENT PLACE. IF HONG KONG RIDES OUT THIS CURRENT CRISIS, IT WILL STILL EVENTUALLY BECOME A DRIED UP VERSION OF ITSELF.

TAIWAN

SOLARZ ASKED LEE'S VIEWS ON TAIWAN.

LEE SAID HE SAW NOTHING IN THE HONG KONG OUTLOOK THAT WOULD NOT STIFFEN THE TAIWANESE RESOLVE TO FIGHT TO THE END. HIS ONLY GUESS IS THAT THE CHINESE COMMUNISTS DO NOT UNDERSTAND PEOPLE'S DESIRE TO SUCCEED.

SHULTZ ON CHINA

SOLARZ SAID HE WAS STRICKEN BY MALAYSIA'S REACTION TO SHULTZ' STATEMENT THAT CHINA WOULD BE A GOOD NEIGHBOR.

LEE SAID HE WAS ALSO, BUT THE MALAYSIANS WANT THE CHINESE TO BE POOR. THE PACIFIC BASIN CONCEPT IS ATTRACTING ATTENTION SIMPLY BECAUSE ONE BILLION PEOPLE WANT TO CATCH UP INSTEAD OF DISRUPT. IF THE CHINESE DO NOT CONCENTRATE ON DEVELOPMENT AND TRY TO DISRUPT, THE ENTIRE PACIFIC REGION WILL BE IN SERIOUS TROUBLE.

KOREA

SOLARZ NOTED THAT NORTH KOREA PROPOSED U.S.-SOUTH KOREAN TRIPARTITE TALKS. HE ASKED WHETHER WE SHOULD INSIST ON QUADRAPARTITE.

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LEE SAID THAT IF HE WERE THE AMERICANS, HE WOULD NOT BE IN THREE-PARTY TALKS. IF THE TWO PARTIES CANNOT TALK TO EACH OTHER, AMERICA'S PRESENCE CANNOT HELP THE TALKS TO GET ON. IF THEY FAIL, YOU WILL GET THE BLAME.

SOLARZ SAID THE NORTH'S GOAL IS TO GET U.S. TROOPS OUT OF SOUTH KOREA.

LEE SAID YES, SO THE NORTH CAN ATTACK THE SOUTH.

LEE SAID THE MAJOR QUESTION IN KOREA IS WHETHER THE NORTH CAN COUNT ON CHINESE OR SOVIET SUPPORT.

3. THIS MESSAGE WAS CLEARED BY CONGRESSMAN SOLARZ' PARTY.

4. DEPARTMENT PLEASE REPEAT TO OTHER ADDRESSEES

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AS DESIRED.

KEMPE

END OF MESSAGE

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